



Changtian Plastic & Chemical Limited

NEWS RELEASE

- Revenue improves 4.5% to RMB10.1 million while net loss declines to RMB0.05 million
- Balance sheet remains positive with net cash of RMB41.8 million at end March 2017

(RMB'million)	1QFY17	1QFY16	Change (%)
Revenue	10.1	9.7	+4.5
Gross Profit	3.3	3.1	+5.1
GP Margin (%)	32.2	32.0	+0.2 ppt
Net Loss	(0.05)	(1.8)	-97.6
Loss Per Share* (RMB cents)	(0.07)	(2.8)	-97.6

*The calculation of EPS is computed on the Group's profit for the period attributable to the owners of the Company divided by 65,999,998 ordinary shares in issue throughout the three months ended 31 March 2017 and 2016.

Singapore, May 10, 2017 – Changtian Plastic & Chemical Limited (“长天实业有限公司”) (“Changtian” or the “Group”) today announced its results for the three months ended March 31, 2017 (“1QFY17”). The Group reported a loss of RMB0.05 million compared to a loss of RMB1.8 million in the three months ended March 31, 2016 (“1QFY16”). There was a RMB8.9 million financial compensation from the local government for capital expenditure on the original plot of land for Nylon-6 chip plant and the ensuing delay in construction.

Revenue increased 4.5% to RMB10.1 million in 1QFY17 as the significant increase in sales of adhesive tapes adequately offset lower sales of release papers and UV cured film.

For the quarter under review, sales of adhesive tapes improved 70.7% to RMB6.5 million and accounted for 64.0% of total revenue. UV cured release film contributed 31.6% of overall revenue after a 35.0% decline in revenue to RMB3.2 million. Revenue from release papers decreased 54.3% to RMB0.4 million and accounted for 4.4% of group revenue.

Gross profit margin for the Group improved by 0.2 percentage point from 32.0% in 1QFY16 to 32.2% in 1QFY17. Prices of raw materials were generally stable while average sales prices were marginally higher.

In line with the moderate increase in sales revenue, selling and distribution costs were higher by 1.1%.

As at 31 March 2017, the Group maintained a net cash position with cash and cash equivalents of RMB41.78 million.

Outlook

Chairman and Executive Director of Changtian, Mr Yang Qingjin (杨清金), said: “The market condition for our products remains very competitive and the company will continue to implement stringent cost control measures to maintain the profitability of existing products.”

Construction of the new plant to produce Nylon-6 chips was completed in early 2017 and fine-tuning of the production line is at the final stage. The Group expects to commence trial production when the fine-tuning is satisfactory. Commercial

production and sales of Nylon-6 chips is anticipated to be commenced in third quarter of 2017 subject to the satisfactory results from the trial production.

In view of the shortfall of cash and unpaid capital expenditure, the group has obtained in early 2017 a written confirmation from its principal banker in China for a RMB300 million credit line. The terms and conditions for the loan will be finalized at date of agreement, and will include a pledge of the group's plant and equipment.

The Group will make further announcements about its Nylon-6 chip business at the appropriate point in time.

About Changtian

Based in Xiamen, Fujian Province, the PRC, Changtian started as a manufacturer of adhesive tapes before leveraging on its technical expertise to expand into the production of release papers, BOPA film and 2-A2MPS. In 2008, the Group started the production of UV cured release film which has varied applications in the manufacturing process of personal hygiene products.

The Group did not have any production of BOPA film since the fourth quarter of 2010. The Group suspended the production and sale of 2-A2MPS in the fourth quarter of 2013.

Changtian has been listed on the SGX Mainboard since 9 November 2007.

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